

TABLE OF CONTENTS

SECTION	CHART OF ACCOUNTS
3-0100.00	INTRODUCTION
3-0100.10	INTRODUCTION
3-0100.20	FUND ACCOUNTING SYSTEM
3-0100.30	TYPES OF FUNDS
3-0100.40	NUMBER OF FUNDS
3-0100.50	BUDGETED AND NONBUDGETED FUNDS
3-0100.60	ACCOUNTING POLICIES AND PROCEDURES
3-0200.00	SCHOOL FUND CLASSIFICATION AND DEFINITIONS
3-0200.10	SCHOOL FUND ACCOUNT STRUCTURE
3-0200.20	SCHOOL FUND CLASSIFICATION
3-0200.30	SCHOOL FUND DEFINITIONS
3-0300.00	ACCOUNT STRUCTURE
3-0300.10	ACCOUNT DEFINITION
3-0300.20	NATIONAL ACCOUNT STRUCTURE
3-0300.30	BALANCE SHEET ACCOUNT STRUCTURE
3-0300.40	REVENUE/OTHER FINANCING SOURCES ACCOUNT STRUCTURE
3-0300.50	EXPENDITURE/OTHER FINANCING USES ACCOUNT STRUCTURE
3-0300.60	ACCOUNT STRUCTURE SUMMARY
3-0400.00	BALANCE SHEET ACCOUNT DEFINITIONS
3-0400.10	DEFINITIONS OF BALANCE SHEET ACCOUNTS
3-0500.00	REVENUE AND OTHER FINANCING SOURCES
3-0500.10	REVENUE AND OTHER FINANCING SOURCES ACCOUNTS
3-0500.20	REVENUE & OTHER FINANCING SOURCES ACCOUNT STRUCTURE
3-0500.30	PROJECT REPORTER
3-0500.40	DEFINITIONS OF OPERATING STATEMENT REVENUE ACCOUNTS
3-0600.00	EXPENDITURE AND OTHER FINANCING USES
3-0600.10	EXPENDITURE & OTHER FINANCING USES ACCOUNT STRUCTURE
3-0600.20	PROJECT REPORTER
3-0600.30	EXPENDITURE PROGRAM DEFINITIONS
3-0600.40	EXPENDITURE FUNCTION DEFINITIONS
3-0600.50	EXPENDITURE OBJECT CODE DEFINITIONS
3-0700.00	ACCOUNT MATRIX
3-0700.10	BALANCE SHEET ACCOUNT MATRIX
3-0710.10	OPERATING STATEMENT - REVENUE ACCOUNT MATRIX
3-0720.10	OPERATING STATEMENT - EXPENDITURE PROGRAM MATRIX
3-0730.10	OPERATING STATEMENT - EXPENDITURE FUNCTION MATRIX
3-0740.10	OPERATING STATEMENT - EXPENDITURE OBJECT MATRIX

(PAGE LEFT INTENTIONALLY BLANK)

CHARTS OF ACCOUNTS

3-0100.00 INTRODUCTION

3-0100.10 INTRODUCTION

The following chart of accounts and definitions are essentially the same chart of accounts and definitions presented in the Accounting and Reporting System Design Manual issued by the Local Government Services Division in 1982. The chart of accounts and definitions continue to be in substantial conformity to those provided in Financial Accounting for Local and State School Systems published by the National Center for Education Statistics of the U.S. Department of Education.

3-0100.20 FUND ACCOUNTING SYSTEM

Legal and accounting requirements of school districts make it necessary to establish a number of separate accounting entities. This is accomplished by organizing and operating a school district accounting system on a fund basis.

A fund is defined as a fiscal and accounting entity with a self-balancing set of asset, liability, fund equity, revenue, and expenditure accounts to record the flow of cash and other financial resources for a specific purpose or activity. Each fund must be accounted for separately so that its resources, obligations, revenues and expenditures or expenses, and fund equities are segregated from other funds. Funds are properly segregated when the accounts are kept separate and the resources of one fund are not used to meet the obligations of another without proper authorization and recording of interfund transactions.

3-0100.30 TYPES OF FUNDS

The funds required by law and sound administration should be included within the following four fund and account group categories:

1. Governmental Funds - There are four types of governmental funds: General, Special Revenue, Capital Projects and Debt Service Funds. These funds, often called "source and disposition funds," are those funds through which most school district functions typically are financed. The acquisition, use, and balances of the school's expendable financial resources and the related current liabilities - except those accounted for in proprietary funds - are accounted for through governmental funds.

The **measurement focus** of governmental funds is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources), rather than upon net income determination. The statement of revenues, expenditures and changes in fund balance (operating statement) and the balance sheet are the two primary reports for funds in this category.

2. Proprietary Funds - There are two types of proprietary funds: Enterprise and Internal Service Funds. These funds are used to account for a school district's ongoing organizations and activities which are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and transfers relating to the school district's business - where net income and capital maintenance are measured - are accounted for through proprietary funds. The generally accepted accounting principles used here are those applicable to similar businesses in the private sector (commercial accounting), and the primary **measurement focus** is upon determination of net income, financial position, and changes in financial position.
3. Fiduciary Funds - There are two types of fiduciary funds: Trust and Agency Funds. These funds are used to account for assets held by a school district in a trustee capacity or as an agent for another government, school, business, organization or fund. Each trust fund is classified for accounting

CHARTS OF ACCOUNTS

3-0100.30 TYPES OF FUNDS (cont'd)

purposes as either governmental or proprietary in nature. Expendable trust funds are treated similar to governmental funds and nonexpendable trust funds/pension funds as proprietary funds. Agency Funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. Revenue and expenditures are not reported for Agency Funds.

4. Account Groups - There are two accounts groups which are used to establish accounting control and accountability for the school district's general fixed assets and the unmatured principal of the general long-term debt. These account groups are the General Fixed Asset Account Group (GFAAG) and the General Long-Term Debt Account Group (GLTDAG).

The school district's fixed assets, except those accounted for in the proprietary or non-expendable trust funds, are not financial resources available for expenditure. The unmatured principal on long-term debt not accounted for in proprietary funds does not require an appropriation during the current period. Hence, neither is accounted for in the governmental funds, but in self-balancing account groups. Governmental funds are primarily used to account for **current** resources and uses. Account groups are used to account for fixed assets and long-term debt which are **non-current** items. The account groups are not funds and do not reflect available resources or related liabilities but are merely accounting records of the general fixed assets and general long-term debt, respectively.

3-0100.40 NUMBER OF FUNDS

Funds may be established as authorized by law or as approved by the Office of Public Instruction as provided in Administrative Rule 10.10.406. Since financial administration becomes more complex and rigid with each additional fund, it is desirable to have as few funds as legal and sound administrative requirements make possible.

3-0100.50 BUDGETED AND NONBUDGETED FUNDS

Section 20-9-201, MCA, provides that a formal budget be adopted for the following "budgeted funds" in order to expend any money from these funds:

01	General Fund
10	Transportation Fund
11	Bus Depreciation Reserve Fund
13	Tuition Fund
14	Retirement Fund
17	Adult Education Fund
19	Nonoperating Fund
50	Debt Service Fund
61	Building Reserve Fund

All other funds are classified as "nonbudgeted funds." Section 20-9-210, MCA, limits expenditures from these funds to the amount of cash balance in a fund.

3-0100.60 ACCOUNTING POLICIES AND PROCEDURES

Accounting methods are found in Topic 5 Accounting Policies and Procedures.

CHARTS OF ACCOUNTS

3-0200.00 SCHOOL FUND CLASSIFICATION AND DEFINITIONS

3-0200.10 SCHOOL FUND ACCOUNT STRUCTURE

The fund account structure consists of a three digit number. The first digit designates whether the fund is used in a (1) elementary district, (2) high school district, or (3) special education cooperative. The first digit is also referred to as "level." The next two digits identify the fund.

Fund Number Account Structure:

X X X

District Fund

Each fund number must be preceded by a digit as follows to designate an elementary or high school district or a special education cooperative.

1XX - elementary district (e.g. 101 Elementary General Fund)

2XX - high school district (e.g. 211 High School Bus Depreciation Fund)

3XX - special education cooperative (e.g. 382 Special Education Cooperative Fund)

CHARTS OF ACCOUNTS

3-0200.20 SCHOOL FUND CLASSIFICATION

Fund Number	Fund Type	Legal Authority
-------------	-----------	-----------------

GOVERNMENTAL FUNDS

01	General Fund	20-9-301
10 - 49	Special Revenue Funds	
	Budgeted Special Revenue Funds	
10	Transportation	20-10-143
11	Bus Depreciation	20-10-147
13	Tuition	20-5-307/312
14	Retirement	20-9-501
17	Adult Education	20-7-705
19	Non-Operating Fund	20-9-505
	Non-Budgeted Special Revenue Funds	
12	School Food Services	20-10-201
15	Miscellaneous Programs Fund	20-9-507
18	Traffic Education	20-7-507/20-9-510
20	Lease-Rental Agreement	20-9-509
21	Compensated Absences Liability Fund	20-9-512
24	Metal Mines Tax Reserve	20-9-231
25	State Mining Impact	90-6-307
26	Impact Aid Fund (P.L. 81-874)	20-9-514
27	Litigation Reserve Fund	20-9-515
28	Technology Fund	20-9-533
50 - 59	Debt Service Funds	
50	Debt Service	20-9-438
51	Judgment Fund	2-9-316/15-1-402(7a)
		20-9-403
60 - 69	Capital Projects Funds	
60	Building	20-9-508
61	Building Reserve	20-9-502

PROPRIETARY FUNDS

70 - 72	Enterprise Funds	
70	Day Care/Preschool	OPI Approved
71	Industrial Arts	OPI Approved
72	Enterprise - Miscellaneous	OPI Approved

CHARTS OF ACCOUNTS

3-0200.20 SCHOOL FUND CLASSIFICATION (cont'd)

Fund Number	Fund Type	Legal Authority
73 - 80	Internal Service Funds	
73	Data Processing	OPI Approved
74	Purchasing	OPI Approved
75	Central Transportation	OPI Approved
76	Instructional Materials Center	OPI Approved
77	Miscellaneous Internal Service	OPI Approved
78	Self Insurance Fund - Health	20-3-331
79	Self Insurance Fund - Liability	20-3-331

FIDUCIARY FUNDS

81 - 85	Trust Funds	
81	Endowment	20-9-604
82	Interlocal Agreement	20-7-457/20-9-511 20-7-801/20-9-701
	This fund should be preceded with the digit 3 when used by Special Education Cooperatives.	
84	Student Extracurricular Activities	20-9-504
85	Miscellaneous Trust Fund	OPI Approved
86 - 97	Agency Funds	
86	Payroll Fund	20-9-220
87	Claims Fund	20-9-220
88	Investment Earnings Clearing	OPI Approved
89	Retirement/COBRA Insurance	2-18-704
90	Agency -- A	OPI Approved
91	Agency -- B	OPI Approved
92	Agency -- C	OPI Approved
93	Agency -- D	OPI Approved
94	Agency -- E	OPI Approved
95	Cafeteria/Flex Plan	OPI Approved
98 - 99	Account Groups	
98	General Fixed Asset Account Group	Required by GAAP
99	General Long-Term Debt Account Group	Required by GAAP

Each fund number must be preceded by a digit as follows to designate an elementary or high school district or a special education cooperative.

1XX - elementary district (e.g. 101 Elementary General Fund)

2XX - high school district (e.g. 211 High School Bus Depreciation Fund)

3XX - special education cooperative (e.g. 382 Special Education Cooperative Fund)

CHARTS OF ACCOUNTS

3-0200.30 SCHOOL FUND DEFINITIONS

GOVERNMENTAL FUNDS

01 GENERAL FUND - The General Fund is authorized by Section 20-9-301, MCA, for the purpose of financing general maintenance and operational costs of a district not financed by other funds. The General Fund is a budgeted fund.

BUDGETED SPECIAL REVENUE FUNDS

10 TRANSPORTATION FUND - Authorized by Section 20-10-143, MCA, for the purpose of financing the maintenance and operation of district owned school buses, contracts with private carriers for school bus service, individual transportation contracts, and any amount necessary for the purchase, rental, or insurance of school buses or operation of the transportation program.

11 BUS DEPRECIATION RESERVE FUND - Authorized by Section 20-10-147, MCA, for the purpose of financing replacement of buses including two-way radio equipment owned by a school district.

13 TUITION FUND - Authorized by law to finance tuition costs for elementary and high school districts with pupils attending schools outside their district.

14 RETIREMENT FUND - Authorized by Section 20-9-501, MCA, for the purpose of financing the employer's contribution to the Teachers' Retirement System (TRS), the Public Employees' Retirement System (PERS), Unemployment Compensation and Social Security. Funded by a countywide levy for retirement.

17 ADULT EDUCATION FUND - Authorized by Section 20-7-705, MCA, for the purpose of financing adult education. The Adult Education Fund is also used to account for the activities related to adult basic education programs financed by state appropriations.

19 NON-OPERATING FUND - Authorized by Section 20-9-505, MCA, for the purpose of accounting for activities of a district in non-operating status. The fund is established through residual equity transfers from all other funds except for the debt service fund and the miscellaneous programs fund.

NON-BUDGETED SPECIAL REVENUE FUNDS

12 FOOD SERVICES FUND - Authorized by Section 20-10-201, MCA, for the purpose of accounting for school food service operations, including state and federal reimbursements.

15 MISCELLANEOUS PROGRAMS FUND - Authorized by Section 20-9-507, MCA, for the purpose of accounting for local, state or federal grants and reimbursements.

CHARTS OF ACCOUNTS

3-0200.30 SCHOOL FUND DEFINITIONS (cont'd)

GOVERNMENTAL FUNDS

NON-BUDGETED SPECIAL REVENUE FUNDS

18 TRAFFIC EDUCATION FUND - Authorized by Section 20-7-507 and 20-9-510, MCA, for the purpose of accounting for traffic education activities.

20 LEASE-RENTAL FUND - Authorized by Section 20-9-509, MCA, for the purpose of accounting for revenues and expenditures related to lease or rental of school property.

21 COMPENSATED ABSENCE FUND - Authorized by Section 20-9-512, MCA, for the purpose of financing the accumulated sick leave and vacation pay that a non-teaching or administrative school district employee is entitled to upon termination of employment.

22 TITLE I FUND - This fund will be deleted after FY97. Activities for the federal Title I program should be accounted for in the Miscellaneous Programs Fund 15 beginning FY97.

23 TITLE VI FUND - This fund will be deleted after FY97. Activities for the federal Title VI program should be accounted for in the Miscellaneous Programs Fund 15 beginning FY97.

24 METAL MINE TAX RESERVE FUND - Authorized by Section 20-9-231, MCA, for the purpose of accounting for revenues collected under Section 15-37-117(1), MCA, and 7-6-2225, MCA related to hard rock mining. Money may be expended from this fund for any purpose provided by law.

25 STATE MINING IMPACT FUND - Authorized by Section 90-6-307, MCA, for the purpose of accounting for grants or prepaid taxes to pay for start up capital and operating costs related to new mining operations.

26 IMPACT AID FUND - (Title VIII) Authorized by Section 20-9-514, MCA for the purpose of the receipt and expenditure of Public Law 81-874 Impact Aid.

27 LITIGATION RESERVE FUND - Authorized by Section 20-9-515, MCA for the purpose of paying legal settlements and court judgements ordered against the district. Costs named in the legal settlement/judgement order may be paid using the fund. Funded using budgeted transfers from the general fund when litigation is pending. Non-budgeted fund. Funds remaining after settlement/judgement must be returned to the general fund.

28 TECHNOLOGY FUND - Authorized by Section 20-9-533, MCA to purchase and maintain technological equipment and to provide technical training. Funded by a state grant authorized by Section 20-9-534, MCA.

CHARTS OF ACCOUNTS

3-0200.30 SCHOOL FUND DEFINITIONS (cont'd)

DEBT SERVICE FUNDS

50 DEBT SERVICE FUND - Authorized by Section 20-9-438, MCA, for the purpose of paying interest and principal on outstanding bonds and special improvement district assessments. This fund is also used to account for the proceeds of bonds sold for the purposes provided in Section 20-9-403 (c) and (d), MCA. The Debt Service Fund is a budgeted fund.

51 JUDGMENT FUND - Necessary when a district imposes a special tax protest refund levy or bonds under 15-1-402(9), MCA or special levy under 2-9-316, MCA for satisfying a judgment against the district.

CAPITAL PROJECTS FUNDS

60 BUILDING FUND - The Building Fund is authorized by Section 20-9-508, MCA, to account for bond or insurance proceeds, federal funds, or property sold by the district for building and construction projects. This fund is also used to account for the proceeds of bonds sold for the purposes provided in Section 20-9-403 (b) and (e), MCA.

61 BUILDING RESERVE FUND - The Building Reserve Fund is authorized by Section 20-9-502, MCA, for the purpose of financing voter approved building or construction projects. The Building Reserve Fund is a budgeted fund.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

70 DAYCARE/PRESCHOOL ENTERPRISE FUND - The Day Care/Preschool Enterprise Fund is used to account for a day care or preschool services operated on a commercial basis with little or no financial support from federal or state sources. This fund may be used when approved by the Office of Public Instruction.

71 INDUSTRIAL ARTS FUND - The Industrial Arts Fund is used to account for major industrial arts programs operated on a commercial basis with little or no financial support from federal or state sources. Such programs include recurring construction of residential housing, fabrication or manufacture of furniture, tools, or other similar items, or service-oriented activities such as engine rebuilding, welding, or drafting. This fund may be used when approved by the Office of Public Instruction.

72 MISCELLANEOUS ENTERPRISE FUND - The Miscellaneous Enterprise Fund is used to account for programs operated on a commercial basis with little or no financial support from federal or state sources. This fund may be used when approved by the Office of Public Instruction.

CHARTS OF ACCOUNTS

3-0200.30 SCHOOL FUND DEFINITIONS (cont'd)

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

73 DATA PROCESSING INTERNAL SERVICE FUND - The Data Processing Internal Service Fund is used to account for data processing services provided to schools or other departments of the district on a cost-reimbursement basis. This fund may be used when approved by the Office of Public Instruction.

74 PURCHASING INTERNAL SERVICE FUND - The Purchasing Internal Service Fund is used to account for purchasing services provided to in-district schools or other departments on a cost-reimbursement basis. This fund may be used when approved by the Office of Public Instruction.

75 CENTRAL TRANSPORTATION INTERNAL SERVICE FUND - The Central Transportation Internal Service Fund is used to account for transportation services provided to in-district elementary and high school districts and other programs such as student extracurricular activities on a cost-reimbursement basis. This fund may be used when approved by the Office of Public Instruction.

76 INSTRUCTIONAL MATERIALS CENTER INTERNAL SERVICE FUND - The Instructional Materials Center Internal Service Fund is used to account for instructional material services provided to elementary and high schools in the district on a cost-reimbursement basis. This fund may be used when approved by the Office of Public Instruction.

77 MISCELLANEOUS INTERNAL SERVICE FUND - The Miscellaneous Internal Service Fund is used to account for miscellaneous activities operated on a cost-reimbursement basis. This fund may be used when approved by the Office of Public Instruction.

78 SELF INSURANCE - HEALTH - Used to account for financial activities for health plans maintained under 20-3-331, MCA, on a self-insurance basis. This fund may be used when approved by the Office of Public Instruction.

79 SELF INSURANCE - LIABILITY - Used to account for financial activities for liability insurance maintained under 20-3-331, MCA, on a self-insurance basis. This fund may be used when approved by the Office of Public Instruction.

FIDUCIARY FUNDS

TRUST FUNDS

81 ENDOWMENT FUND - The Endowment Fund is authorized by Section 20-9-604, MCA, to account for gifts, legacies, and devises received by the school district.

82 INTERLOCAL AGREEMENT FUND - The Interlocal Agreement Fund is authorized by Sections 20-7-457, 20-9-511, 20-7-801, and 20-9-701, MCA, for the purpose of accounting for revenues and expenditures related to an interlocal agreement between two or more school districts or other local governments.

CHARTS OF ACCOUNTS

3-0200.30 SCHOOL FUND DEFINITIONS (cont'd)

FIDUCIARY FUNDS

TRUST FUNDS (Cont'd)

83 HEALTH SELF INSURANCE FUND - Reserved. Reclassified to fund 78 in FY 1992.

84 STUDENT EXTRACURRICULAR ACTIVITIES FUND - The Student Extracurricular Activities Fund is authorized by Section 20-9-504, MCA, to account for various student activities, such as athletics, clubs, classes, student government organizations, student publications and other such activities. Separate fund accounts within the Extracurricular Fund are maintained to account for these various activities. Unlike other district funds, the money for these activities may be maintained in bank accounts outside the control of the County Treasurer. The fund is administered by school district administrators, faculty members, and student organizations under the guidelines and policies established by the Board of Trustees. Required guidelines are available from the Montana Association of School Business Officials (MASBO) or from OPI.

85 MISCELLANEOUS TRUST FUND - The Miscellaneous Trust Fund is used to account for revenues and expenditures related to other miscellaneous trust type activities. This fund may be used when approved by the Office of Public Instruction.

AGENCY FUNDS

86 PAYROLL FUND - The Payroll Fund is an agency fund authorized by Section 20-9-220, MCA, for the purpose of reducing bookkeeping requirements associated with the issuing of warrants. Rather than issuing several warrants on a fund by fund basis to a single payee and maintaining a separate list of unpaid outstanding warrants for each fund, a school district may issue one warrant from the Payroll Fund to a single payee and maintain only one list of unpaid outstanding warrants. A cash transfer letter is prepared monthly to the County Treasurer which transfers cash from the various operating funds for the appropriate amount to the Payroll Fund in an amount equal to unremitted payroll liabilities (if the "gross pay method" is used in the Payroll Fund) and warrants issued against the Payroll Fund.

87 CLAIMS FUND - The Claims Fund is an agency fund authorized by Section 20-9-220, MCA, for the purpose of reducing bookkeeping requirements associated with the issuing of warrants. Rather than issuing several warrants on a fund by fund basis to a single payee and maintaining a separate list of unpaid outstanding warrants for each fund, a school district may issue one warrant from the Claims Fund to a single payee and maintain only one list of unpaid outstanding warrants. A cash transfer letter is prepared monthly to the County Treasurer which transfers cash from the various operating funds for the appropriate amount to the Claims Fund in an amount equal to unremitted payroll liabilities (if the "net pay method" is used in the Payroll Fund) and warrants issued against the Claims Fund.

CHARTS OF ACCOUNTS

3-0200.30 SCHOOL FUND DEFINITIONS (cont'd)

FIDUCIARY FUNDS

AGENCY FUNDS (Cont'd)

88 INVESTMENT EARNINGS CLEARING FUND - The Investment Earnings Clearing Fund is an agency fund used to account for total earnings on investments. The total amount in the fund is distributed monthly (usually on a percentage basis of month-end cash in each fund to total cash to the appropriate funds which generated the investment earnings. This fund may be used when approved by the Office of Public Instruction.

89 RETIREMENT/COBRA INSURANCE FUND - The Retirement/COBRA Insurance Fund is authorized by Section 2-18-704, MCA, to account for the receipt and disbursement of premium payments received from former district employees who have retired or terminated employment and elected to continue to participate in the district's health insurance program.

90-94 MISCELLANEOUS AGENCY FUNDS - Miscellaneous Agency Funds A-E are used to account for miscellaneous receipts and disbursements of payments received by a school district which are remitted to some third party. These funds may be used when approved by the Office of Public Instruction.

95 CAFETERIA/FLEX PLAN FUND - The Cafeteria/Flex Plan Fund is used for cafeteria plans under IRC Section 125 administered by a third party. If the district administers the plan, use Fund 77 Miscellaneous Internal Service Fund. The assets in the fund should correspond to an equal liability amount owed to employee participants of the plan plus accumulated net earnings.

ACCOUNT GROUPS

98 GENERAL FIXED ASSET ACCOUNT GROUP - The General Fixed Asset Account Group is required by generally accepted accounting principles and is used to account for all fixed assets except fixed assets related to specific proprietary funds or non-expendable trust funds which should be accounted for through those funds.

99 GENERAL LONG TERM DEBT ACCOUNT GROUP - The General Long Term Debt Account Group is required by generally accepted accounting principles and is used to account for all unmatured general long term debt for which the school district is obligated in some manner, except for long term debt related to specific proprietary funds or non-expendable trust funds which should be accounted for through those funds.

(PAGE LEFT INTENTIONALLY BLANK)

CHARTS OF ACCOUNTS

3-0300.00

ACCOUNT STRUCTURE FOR BALANCE SHEET ACCOUNTS, REVENUE ACCOUNTS AND EXPENDITURES ACCOUNTS

3-0300.10 ACCOUNT DEFINITION

An account is defined as a descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object, or source. The classification and structure of accounts are the framework around which an accounting and reporting system is developed. The test for adequacy of an account structure is, "Does it provide the information necessary for administrative decision making and reporting purposes?"

Balance sheet accounts, consisting of assets, liabilities, and fund equity, are referred to as real accounts and continue from year to year. Revenue and expenditure accounts are referred to as nominal accounts since these accounts accumulate activity for one accounting period only. The phrase "close the books" means that all nominal account balances have been transferred to the fund equity accounts. Nominal accounts always begin the new accounting period with a zero balance.

3-0300.20 NATIONAL ACCOUNT STRUCTURE

The account structure will be a master classification of balance sheet, revenue, and expenditure accounts from which selections can be made for reporting comparable transactions on a uniform basis. In order to facilitate meaningful cost data comparisons with national educational statistics and meet reporting requirements of various federal revenue sources, the account structure will be based on the structure proposed in Financial Accounting for Local and State School Systems, published by the U.S. Department of Education. The structure is flexible and will allow for expansion to meet increased reporting needs as well as unique needs of the individual user.

CHARTS OF ACCOUNTS

ACCOUNT STRUCTURE FOR BALANCE SHEET ACCOUNTS, REVENUE ACCOUNTS AND EXPENDITURES ACCOUNTS

3-0300.30 BALANCE SHEET ACCOUNT STRUCTURE

The account structure for balance sheet accounts consists of a three digit fund number (see Topic 3-0200.10) and a three digit balance sheet account number (see Topic 3-0400.10).

Balance Sheet Account Structure:



District/Fund Balance Sheet Account Project Reporter Code-Optional

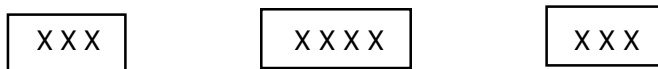
Balance sheet accounts are based upon five principal groups, which are:

- (1) Accounts 100 - 200 Assets and Other Debits
- (2) Accounts 400 - 499 Budgeting/Nominal Accounts-Revenue Control
- (3) Accounts 600 - 699 Liabilities, Deferred Revenues, and Other Credits
- (4) Accounts 800 - 899 Budgeting/Nominal Accounts-Expenditure Control
- (5) Accounts 900 - 999 Equity

Within each group, the accounts are arranged in the order in which they normally appear on the balance sheet. The Budgeting/Nominal Accounts-Revenue and Expenditure Control classifications are for interim report purposes only. These accounts are not included with balance sheet accounts on year-end financial statements because they are nominal accounts; that is, they are closed to fund balance at the end of a fiscal period and relate only to that period. Their inclusion on interim financial statements is recommended, however, and so they are included with the balance sheet accounts.

3-0300.40 REVENUE/OTHER FINANCING SOURCES ACCOUNT STRUCTURE

The account structure for revenue and other financing sources accounts consists of a three digit fund number (see Topic 3-0200.10) and a four digit source account (see Topic 3.0500.10). A three digit project reporter is also used for special accounting and reporting purposes for state and federal grants or other special reporting projects (see Topic 3-0600.50).



District/Fund Subsidiary Source Project Reporter

The first digit of the subsidiary source account number designates the first level of reporting for one of the following six broad categories of revenue sources. The next three digits provide additional summary levels within one of the six categories.

- Current or Recurring
 - 1000 - Revenue from Local Sources
 - 2000 - Revenue from County Sources
 - 3000 - Revenue from State Sources
 - 4000 - Revenue from Federal Sources
- Non-Current or Non-Recurring
 - 5000 - Other Financing Sources
 - 6000 - Adjustments to Beginning to Fund Balance

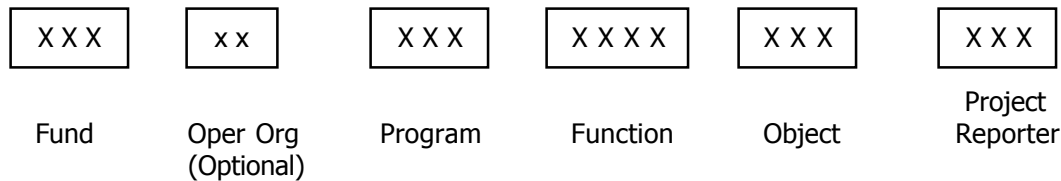
CHARTS OF ACCOUNTS

ACCOUNT STRUCTURE FOR BALANCE SHEET ACCOUNTS, REVENUE ACCOUNTS AND EXPENDITURES ACCOUNTS

3-0300.50 EXPENDITURE/OTHER FINANCING USES ACCOUNT STRUCTURE

The expenditure and other financing uses account structure is the most extensive. It is designed to give the desired informational breakdown of expenditures and other financing uses without being overly cumbersome. As mentioned, the structure is flexible and will allow for expansion to meet increased reporting needs. The account structure includes the following dimensions:

A. Fund	Three digits
B. Operational Unit (Optional)	Two digits
C. Program	Three digits
D. Function	Four digits
E. Object	Three digits
F. Project Reporter	Three digits



- A. **Fund** - The fund numbers are described in detail in Topic 3-0200.10.
- B. **Operational Unit** - (optional) is used to denote an instructional center or individual school unit. Individual organization codes are not intended to be used for departments, sections or other cost centers. This level of subdivision can be accomplished using the functional category codes. A district-wide code can be used for those expenditures not applicable to other organization categories. See Topic 3-0600.10.
- C. **Program** - A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. The program dimension provides the school district the framework to classify expenditures by program for cost determination purposes. See Topic 3-0600.20.
- D. **Function** - refers to the purpose for which an activity or program exists or is used. It includes the area subfunctions, activities, and subactivities performed to accomplish general objectives. Expenditures are classified by function to provide comparability between communities and states and to assist in decision making. See Topic 3-0600.30.
- E. **Object** - refers to the good or service obtained. See Topic 3-0600.40.
- F. **Project Reporter** - The project reporter code permits a school district to accumulate expenditures to meet a variety of specialized reporting requirements at local, state and federal levels. A unique project reporter code should be assigned to the revenue and expenditure accounts used to account for each grant or project. The first two digits may be used to designate the funding source, authority or expenditure purpose. The third digit may be used to designate a special project or fiscal year. This code permits the user to relate expenditures to a specific revenue source. It is designed specifically for state and federal grants. See Topic 3-0600.50.

CHARTS OF ACCOUNTS

ACCOUNT STRUCTURE FOR BALANCE SHEET ACCOUNTS, REVENUE ACCOUNTS AND EXPENDITURES ACCOUNTS

3-0300.60 ACCOUNT STRUCTURE SUMMARY

The underline type in each account category represents the level of detail that will usually be required for reporting to the Office of Public Instruction on the Trustees Financial Summary. For example, a school district may use several function codes within 2300 General Administration, e.g. 2314 Election Services, 2315 Audit Services, 2321 Office of the Superintendent Services. The account balances in all of these functions beginning with 23 would be "rolled up" or subtotaled to the 23XX level (X is used here to indicate the level to roll up the account balances) for Trustees Financial Summary purposes. Full account information at all levels may be requested for federal quarterly reports or as supplemental information to be attached to the Trustees Financial Summary.

The smaller type represents additional informational levels that may be used at the option of the local school district administration.

Each separate block and the "X" in each block represents a summary level for reporting purposes.

Balance Sheet Accounts:

Assets, Liabilities, and Fund Equity Accounts:

X X X

District/Fund

X X X

Balance Sheet Account

X X X

Project Reporter Code-Optional

Operating Statement Accounts

Revenue Accounts:

X X X

District/Fund

X X X X

Subsidiary
Source

X X X

Project
Reporter

Expenditure Accounts:

X X X

District/Fund

x x

Oper Org
(Optional)

X X X

Program

X X X X

Function

X X X

Object

X X X

Project
Reporter

CHARTS OF ACCOUNTS

3-0400.00 BALANCE SHEET ACCOUNT DEFINITIONS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS

Assets and Other Debits - Budgeting/Nominal Accounts

Assets and Other Debits include what is owned and other items not owned as of the date of the balance sheet but expected to become fully owned at some future date. Budgeting and Nominal Accounts include control accounts 401 Estimated Revenue and Other Financing Sources and 402 Revenue and Other Financing Sources and are used for interim reporting purposes only. See Topic 3.0300.30 and 3.0700.10.

Code

Definition

Assets

- 101 **Cash and Cash Equivalents.** All currency, coin, checks, money orders, and bank drafts on hand or on deposit with the county treasurer normally in non-interest bearing accounts. Include extracurricular savings accounts and certificate of deposits or other interest bearing instruments maturing within 90 days. See Section 20-9-212(1), MCA. The amount reported as Cash on the Trustees Financial Summary should be the total of cash less warrants payable account 620.
- 103 **Petty Cash.** A sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and warrant would be too expensive and time consuming. See Topic 5-1100.
- 104 **Change Cash.** A specific sum of money kept on hand to provide change in currency or coin.
- 105 **Cash with Fiscal Agents.** Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest.
- 111 **Investments.** Securities held for the production of income in the form of interest. See Section 20-9-213(4), MCA. and Topic 5-0900. Includes equity in shared investment pools under 20-9-213(4), MCA.
- 112 **Increases and Decreases in the Fair Value of Investments.** To report gains or losses on investments at market or fair value per GASB 31.
- 113 **Unamortized Discounts on Investments (Normal Credit Balance).** The excess of the face value of securities over the amount paid for them which has not yet been written off. Use of this account is normally restricted to long-term investments.
- 114 **Interest Receivable on Investments.** The amount of interest earned on investments but not yet received in cash. This amount is usually calculated at the end of each fiscal year. Accrued interest purchased should be recorded in account 115. See Topic 5-0900.
- 115 **Accrued Interest on Investments Purchased.** Interest accrued on investments between the last interest payment date and date of purchase. The account is carried as an asset until the first interest payment date after date of purchase. Upon receipt and deposit of the interest, an entry is recorded debiting cash and crediting the Purchased account for the amount of interest purchased and crediting the 1510 Interest Earnings revenue account for the balance. See Topic 5-0900.
- 120 **Taxes Receivable-Real Property.** The uncollected portion of real property taxes which a school district has levied and which has become due. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
	receivable less allowances for uncollectible taxes are offset by crediting the 680 deferred revenue account for the same amount. See Topic 5-0200.
129	Allowance for Uncollectible Taxes - Real Property (Normal Credit Balance). A provision for that portion of real property taxes receivable which it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account in order to arrive at the net taxes receivable.
130	Taxes Receivable—Personal Property. The uncollected portion of personal property taxes (including mobile homes) which a school district has levied and which has become due. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the 680 deferred revenue account for the same amount. See Topic 5-0200.
139	Allowance for Uncollectible Taxes—Personal Property (Normal Credit Balance). A provision for that portion of personal property taxes receivable which it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account in order to arrive at the net taxes receivable.
140	Taxes Receivable-Other. The uncollected portion of other taxes which a school district has levied and which has become due. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the 680 deferred revenue account for the same amount. See Topic 5-0200.
149	Allowance for Uncollectible Taxes - Other (Normal Credit Balance). A provision for that portion of other taxes receivable which it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account in order to arrive at the net taxes receivable.
150	Taxes Receivable—Protested Taxes. The undistributed portion of taxes paid under protest maintained in the County Protested Tax Fund pending final court disposition. Separate accounts may be maintained on the basis of tax roll year, current and delinquent, and type of tax. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the 680 deferred revenue account for the same amount. See Topic 5-0200.
159	Allowance for Uncollectible Taxes—Protested Taxes (Normal Credit Balance). A provision for that portion of protested taxes receivable which it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account in order to arrive at the net taxes receivable.
160	Interfund/Loan Receivable From Other Funds. An asset account used to record an amount owed by one fund to another fund in the same school district. This account normally has the same amount as account 601 Interfund/Loan Payable to Other Funds. See Topic 5-0500.

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
170	Due From Other Funds. An asset account used to indicate amounts owed for goods or services provided to one fund by another fund in the same school district. This account normally has the same balance as account 606 Due to Other Funds. See Topic 5-0500.
180	Due From Other Governments. Amounts due to the reporting school district from another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected for the reporting unit by another unit, tuition, and charges for services rendered by the reporting district for another governmental entity. See Topic 5-0200.
190	Accounts Receivable. Amounts owing on open accounts from private persons, firms, or corporations for goods and services furnished by a school district (but not including amounts due from other funds or from other governmental units). See Section 2-18-704(3), 20-6-607, 20-7-507, 20-7-704, 20-9-509, 20-9-214, 20-10-122, 20-10-123, and 20-10-204, MCA and Topic 5-0200.
199	Allowance for Uncollectible Accounts Receivable (Normal Credit Balance). A provision for that portion of accounts receivable which is estimated will not be collected. The account is shown on the balance sheet as a deduction from the Accounts Receivable account.
210	Bond Proceeds Receivable. An account used to designate the amount receivable upon sale of bonds.
220	Inventories For Consumption - Material and Supplies. The cost of supplies and materials on hand for future distribution to and consumption by requisitioning units. See Topic 5-0600.
230	Inventories for Resale. The value of goods held by a school district for resale rather than for use in its own operations. See Topic 5-0600.
240	Prepaid Expenses. Expenses entered in the accounts for benefits not yet received. Examples of prepaid expenses are prepaid rent, prepaid interest, and unexpired insurance premiums. See Topic 5-0700.
250	Deposits. Funds deposited by the school district as a prerequisite to receiving services and/or goods.

Noncurrent Assets. Those tangible assets which the school district intends to hold or continue in use over a long period of time greater than one year. Noncurrent assets include long-term receivables which are expected to be collected after one year or longer and fixed assets such as land, buildings, improvements, and equipment.

Fixed asset accounts are used in proprietary and trusts funds and in the general fixed assets account group. Fixed asset accounts are not used in governmental or agency funds. See Topic 5-1200.

- | | |
|-----|---|
| 311 | Land. A fixed asset account which reflects the acquisition value of land owned by a school district. If land is purchased, this account includes the purchase price and costs such as legal fees, filling and excavation costs, and other associated improvement costs which are incurred to |
|-----|---|

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
	put the land in condition for its intended use. If land is acquired by gift, the account reflects its appraised value at time of acquisition. See Topic 5-1200.
321	<p>Land Improvements. A fixed asset account which reflects the acquisition value of permanent improvements, other than building, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the appraised value at time of acquisition.</p> <p>GAAP specifically allows governments the option of not reporting "infrastructure" fixed assets in the General Fixed Asset Account Group (GFAAG). By definition, infrastructure assets are "immovable and of value only to the governmental unit" (e.g., sidewalks, gutters, bridges). See Topic 5-1200.</p>
322	<p>Allowance for Depreciation of Land Improvements (Normal Credit Balance). Accumulated amounts for depreciation of land improvements. The recording of depreciation is optional in expendable trust funds and the general fixed assets account group and required in proprietary and non-expendable trusts funds.</p>
331	<p>Buildings and Building Improvements. A fixed asset account which reflects the acquisition value of permanent structures used to house persons and property owned by the school district. If buildings are purchased or constructed, this account includes the purchase or contract price of all permanent buildings and fixtures attached to and forming a permanent part of such buildings. This account includes all building improvements. If buildings are acquired by gift, the account reflects their appraised value at time of acquisition. See Topic 5-1200.</p>
332	<p>Allowance for Depreciation of Buildings and Building Improvements (Normal Credit Balance). Accumulated amounts for depreciation of buildings and building improvements. The recording of depreciation is optional in expendable trust funds and the general fixed assets account group and required in proprietary and non-expendable trusts funds.</p>
341	<p>Machinery and Equipment. Tangible property of a permanent nature, other than land and buildings. Examples are machinery, tools, trucks, cars, buses, furniture, and furnishings. This account includes costs incurred in acquisition of machinery and equipment such as installation costs, freight, etc. If textbooks are considered fixed assets under Board policy, record their cost here. See Topic 5-1200.</p>
342	<p>Allowance for Depreciation of Machinery and Equipment (Normal Credit Balance). Accumulated amounts for depreciation of machinery and equipment. The recording of depreciation is optional in expendable trust funds and the general fixed assets account group and required in proprietary and non-expendable trusts funds.</p>

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
351	Construction Work in Progress. The cost of construction work undertaken but not yet completed. This account is closed to 321 Land Improvements, 331 Buildings and Building Improvements, or 341 Machinery and Equipment as appropriate upon completion of construction. See Topics 5-1200 and 5-1400.
370	Long-Term Receivables. The long-term portion on amounts due to the school district from contracts, leases, or other long-term receivables. When initially established, long-term receivables are usually offset by crediting the 680 Deferred Revenue account for the same amount.
Budgeting Accounts and Other Debits. The 401 Estimated Revenues and Other Financing Sources account is a budget control account and has a debit balance. The 402 Revenue and Other Financing Sources Control account has a credit balance and is compared to 401 Estimated Revenues and Other Financing Sources account to determine the status of actual revenues collected or accrued. These nominal accounts are used for interim reporting purposes only. The 402 Revenue and Other Financing Sources Control account is closed to the 970 Fund Balance account and 401 Estimated Revenues and Other Financing Sources account is closed to 972 Budgetary Fund Balance at the end of the fiscal year. Other debits include offsetting accounts to long-term liabilities in the General Long-Term Debt Account Group.	
401	Estimated Revenues and Other Financing Sources Control Account (Normal Debit Balance/Budget Account). This account has normal debit balance and is used in conjunction with 801 Appropriations and 972 Budgetary Fund Balance. The total amount of estimated revenues and other financing sources to be received during the fiscal year is recorded in this account. This account is used only in budgeted funds and only appears in interim balance sheets prepared during the year. At the end of the fiscal year, this account is closed to 972 Budgetary Fund Balance and does not appear in the year-end balance sheet. See Topic 5-0200.
402	Revenue and Other Financing Sources Control Account (Normal Credit Balance). The total of all revenues and other financing sources recognized during a fiscal year. This represents the increases in net current assets of governmental type funds and net total assets for proprietary funds. On balance sheets prepared during the year for budgeted funds, this account is compared to 401 Estimated Revenues and Other Financing Sources account to determine the status of actual revenues collected or accrued. At the end of the fiscal period, this account is closed to 970 Unreserved Fund Balance and does not appear in a balance sheet prepared at the close of the fiscal period. See Topic 5-0200.
403	Amount Available in Debt Service Fund and Sick Leave Reserve Fund (Normal Debit Balance). An account in the General Long-Term Debt Account Group which designates the amount of fund balance available in the Debt Service Fund for the retirement of bonds and special assessments and in the Sick Leave Reserve Fund to retire accumulated sick leave termination liabilities. See Topic 5-1300.

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
404	Amount to be Provided for Retirement of General Long-Term Debt (Normal Debit Balance). An account in the General Long-Term Debt Account Group which designates the amount to be provided from taxes or other revenue sources to retire long-term liabilities. See Topic 5-1300.
405	Amount to be Provided for Compensated Absences (Normal Debit Balance). An account in the General Long-Term Debt Account Group which designates the amount to be provided from taxes or other revenue sources for compensated absences relating to accumulated vacation and sick leave termination pay. See Topic 5-1300.
406	Amount to be Provided - Other (Normal Debit Balance). An account in the General Long-Term Debt Account Group which designates the amount to be provided from taxes or other revenue sources for contracts, leases, mortgages and other long-term liabilities. See Topic 5-1300.
490	Non-Budgeted Revenues - GAAP Purposes. This account is offset by 890 Non-Budgeted Expenditures and is used for special GAAP reporting purposes for items such as capital leases. GAAP requires that the total principal portion of capital leases be recorded as revenue and expenditure in the year the capital lease is made. The 490 and 890 accounts are used to prepare GAAP financial statements and do not appear on the Annual Trustees Financial Summary which is prepared on the budgetary basis. See Topic 5-1330.

Liabilities, Deferred Revenue, Budgeting, and Fund Equity Accounts

Liability accounts are used to record debts or other amounts owed by the school district.

The 680 deferred revenue account is used to account for amounts which have met asset recognition criteria but not revenue recognition criteria. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting a deferred revenue account for the same amount.

The 801 Appropriations account is a budget control account and has a credit balance. The 802 Expenditure and Other Uses and 803 Encumbrance Control Accounts have debit balances and are compared to the 801 Appropriations account for budget control purposes. These accounts are used only for interim reporting purposes during the year. The 802 Expenditure Control and Other Uses and 803 Encumbrance Control accounts are closed to the 970 Fund Balance account and the 801 Appropriations account is closed to 972 Budgetary Fund Balance at the end of the fiscal year.

Fund equity accounts represent the difference between fund assets and fund liabilities. Reserved fund equity accounts describe the portion of fund balance that is (1) not available for appropriation and/or (2) is legally segregated for a specific future use.

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code

Definition

Current Liabilities. Those debts the school district expects to pay within a short period of time, usually within a year or less.

- 601 **Interfund/Loan Payable to Other Funds.** A liability account used to record a debt owed by one fund to another fund in the same school district. This account normally has the same balance as account 160 Interfund/Loan Receivable to Other Funds. See Topic 5-0500.
- 606 **Due To Other Funds.** A liability account used to indicate amounts owed for goods or services provided to one fund by another fund in the same school district. This account normally has the same balance as account 170 Due From Other Funds. See Topic 5-0500.
- 611 **Due to Other Governments.** Amounts owed by the reporting school district to another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected by the reporting unit for another unit, loans, and charges for services rendered to the reporting district by another governmental entity. See Topic 5-0200.
- 620 **Warrants Payable.** Liability for warrants issued but unredeemed by the county treasurer. See Section 20-9-212, 20-9-220, 20-9-221, 20-9-222 and 20-9-223, MCA. The balance in the warrants payable account should equal the total of the monthly list of outstanding unpaid warrants and is the reconciling item between the district and county treasurer. See A.R.M. 10.10.501(3). The amount reported as Cash on the Trustees Financial Summary should be the total of cash less warrants payable.
- 621 **Accounts Payable.** Liabilities on open account owing to private persons, firms, or corporations for goods and services received by a school district (but not including amounts due to other funds of the same school district or to other governmental units). See 20-9-207, 20-9-209, 20-9-210, 20-9-221, and 20-9-226, MCA and Topic 5-0300.
- 622 **Judgments Payable.** Amounts due to be paid by a school district as the result of court decisions, including condemnation awards in payment for private property taken for public use. See Section 20-9-161(3), 15-1-402(9)c and 20-9-403(e), MCA and Topic 5-1300.
- 623 **Registered Warrants Payable.** Liability for unredeemed warrants which have been registered for payment by the county treasurer. See Section 20-9-212 and 7-6-2604, MCA.
- 630 **Contracts Payable/Lease Obligations - Current.** Amounts due on contracts or leases for assets, goods, and services received by a school district. See Section 20-6-609, 20-6-625, 20-10-110, MCA and Topics 5-0300 and 5-1300.

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
631	Construction Contract Retainage Payable. Amounts due on construction contracts pending final inspection, or the lapse of a specified time period or both. The unpaid amount is usually a stated percentage of the contract price. See Topic 5-1400.
632	Construction Contracts Payable. Amounts due on contracts for construction of buildings, structures, and other improvements. See Topic 5-1400.
640	Matured Bonds Payable. Unpaid bonds which have reached or passed their maturity date. See Topic 5-1300.
641	Bonds Payable - Current. Bonds which have not reached or passed their maturity date but are due within one year or less. See Topic 5-1300.
642	Unamortized Premiums on Bonds Sold. This account is used only in Proprietary Funds. An account which represents that portion of the excess of bond proceeds over par value and which remains to be amortized over the remaining life of such bonds. For premiums received on general obligation bonds refer to definition for revenue source 5100.
650	Notes or Loans Payable - Current. Short-term tax anticipation notes or the current portion of long-term notes (see liability account 720) made with Board of Investments as provided by Section 7-6-1101 through 7-6-1116 and 20-9-471, MCA. See Topic 5-1300.
655	Matured Interest Payable. Unpaid interest on notes or bonds which have reached maturity date. See Topic 5-1300.
656	Accrued Interest Payable - Current. Accrued interest on registered warrants or notes and bonds which have not reached their maturity date but are due within one year or less. Occasionally bonds are sold in between interest payment dates. Accordingly accrued interest is paid by the bondholders at the time of the initial bond sale and then returned when the first interest payment is made. This accrued interest is recorded here. See Topic 5-1300.
660	Accrued Operating Expenses Payable. Operating expenses incurred in the current accounting period which are not payable until a subsequent accounting period. See Topic 5-0300.
661	Accrued Salaries and Benefits Payable. Salary and fringe benefit costs incurred during the current accounting period but which are not paid until a subsequent accounting period. See Topic 5-0300.

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
670	Payroll Deductions and Withholdings Payable. Amounts deducted from employees' salaries for withholding taxes and other purposes. A separate liability account may be used for each type of deduction. See Topics 5-0300 and 5-0800. Includes a liability for unexpended cash balances from a flex plan from fund 95.
680	Deferred Revenues. The deferred revenue account is used to account for amounts which have met asset recognition criteria but not revenue recognition criteria of "measurable and available." Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the deferred revenue account for the same amount. Rent or fees received in advance and long-term receivables such as the lease-sale of a building are other examples of deferred revenue. See Topic 5-0200.
690	Deposits Payable. Liability for deposits received as a prerequisite to receiving services and/or goods such as cash bid bonds or cash performance bonds. See Section 18-2-201, MCA.
695	Due to Fiscal Agent. Amounts due to fiscal agencies, such as commercial banks, for servicing a school district's matured indebtedness.
Long-Term Liabilities. The remaining portion of debt that is not due within the current year.	
710	Bonds Payable/Non-Current. The remaining principal on bonds which are not due within the current year. See Topic 5-1300.
720	Notes Payable/Non-Current. The non-current balance remaining due on notes made with the Board of Investments as provided in Section 20-9-471, MCA, or notes sold in anticipation of federal or state revenue as provided in Section 7-7-109, MCA. See Topic 5-1300.
730	Lease Obligations/Non-Current. Principal remaining to be paid on lease purchase agreements and capital leases. See Section 20-6-609, 20-6-625, 20-10-110 MCA. See Topic 5-1300.
740	Contracts Payable. Amounts remaining unpaid on contractual agreements including mortgages. See Topic 5-1300.
750	Judgments Payable. Long-term portion of judgments remaining unpaid. See Section 20-9-161(3), 15-1-402(9)c and 20-9-403(e), MCA. See Topic 5-1300.
760	Compensated Absences Payable. Accumulated liabilities for compensated absences payable for termination vacation and sick leave pay due to teaching or non-teaching personnel. See Topic 5-1300.
770	Special Assessments Payable. The remaining principal portion due on special assessments. See Topic 5-1300.

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code

Definition

Budgeting/Nominal Accounts. The 801 Appropriations account is a budget control account and has a credit balance. The 802 Expenditures and Other Uses Control account and 803 Encumbrances Control account have debit balances. On balance sheets prepared during the fiscal year, the 802 Expenditure and Other Uses Control and 803 Encumbrances Control account are shown as deductions from the 801 Appropriations account to arrive at the total unexpended balance of appropriations. These accounts are used only for interim reporting purposes during the year. The 802 Expenditure and Other Uses Control and 803 Encumbrance Control accounts are closed to the 970 Fund Balance account and the 801 Appropriations account is closed to 972 Budgetary Fund Balance at the end of the fiscal year.

- 801 **Appropriations (Normal Credit Balance/Budget Account).** This account has a normal credit balance and is used in conjunction with the 401 Estimated Revenues and Other Financing Sources account and 972 Budgetary Fund Balance account. The total amount of estimated expenditures and other financing uses is recorded in this account. This account is used only in budgeted funds and only appears in interim balance sheets prepared during the year. At the end of the fiscal year, this account is closed to 972 Budgetary Fund Balance and does not appear in the year-end balance sheet.
- 802 **Expenditures and Other Uses Control Account (Normal Debit Balance).** This account designates the total of expenditures paid or accrued in a fiscal year. On balance sheets prepared during the year for budgeted funds, this account is shown as a deduction from the 801 Appropriations account to arrive at the total unexpended and unencumbered balance of appropriations. This account is closed to 970 Unreserved Fund Balance and does not appear in the year-end balance sheet. See Topic 5-0300.
- 803 **Encumbrances Control Account (Normal Debit Balance/Budget Account).** This account designates obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which part of the appropriation is reserved. In interim balance sheets, encumbrances are deducted along with the expenditures from the Appropriations account to arrive at the unencumbered balance of appropriations. At the end of the fiscal year, the balance in the Encumbrances account is usually transferred to 802 Expenditures Control (budgetary basis). This account usually does not appear in the year-end balance sheet. See Topic 5-0400.
- 890 **Non-Budgeted Expenditures - GAAP Purposes.** This account is offset by 490 Non-Budgeted Revenues and is used for special GAAP reporting purposes for items such as capital leases. GAAP requires that the total principal portion of capital leases be recorded as revenue and expenditure in the year the lease is entered into. The 490 and 890 accounts are used to prepare GAAP financial statements and do not appear on the Annual Trustees Financial Summary which is prepared on the budgetary basis. See Topic 5-1330.

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
------	------------

Fund Equity Accounts. These accounts show the difference between fund assets and fund liabilities. Agency funds do not have fund equity accounts. In governmental type funds and expendable trust funds, the reserved fund balance accounts indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. The Unreserved Fund Balance Account represents the amount which is available for reappropriation.

General Fixed Asset Account Group / Accounts 910-919

910 **Investment in General Fixed Assets.** An account in the General Fixed Assets Account group which represents the school district's equity in general fixed assets. Separate accounts are normally used to describe the source of funds which financed the asset acquisition, such as General Fund revenues, federal funds, bond issues and contributions. See Topic 5-1200.

- 911 Investment in General Fixed Assets - General Fund
- 912 Investment in General Fixed Assets - Special Revenue Funds
- 913 Investment in General Fixed Assets - Federal Grants
- 914 Investment in General Fixed Assets - State and Local Grants
- 915 Investment in General Fixed Assets - Bond Issues and Building Reserve Levies
- 916 Investment in General Fixed Assets - Private Gifts
- 917 Investment in General Fixed Assets - Other (Specify)
- 918 Investment in General Fixed Assets - Before 19_____

Proprietary and Non-Expendable Trust Funds / Accounts 920 - 940

- 921 **Contributed Capital.** An equity account in a proprietary fund presenting the amount of permanent fund capital contributed by the school district's general revenues or resources such as fixed assets.
- 930 **Reserve for (Special Purposes)—Retained Earnings.** The accumulated earnings of the Proprietary Funds which have been retained in the fund and which are reserved for a specific purpose.
- 940 **Unreserved Retained Earnings.** The accumulated earnings of the Proprietary Funds which have been retained in the fund and which are not reserved for any specific purpose.

Governmental and Expendable Trust Funds / Accounts 950-972

- 951 **Fund Balance - Reserve for Inventories.** A reserve established equal to the balance in the related asset accounts 220 and 230 when the purchase method of accounting for inventories is used. This account may not be used if the consumption method of accounting is used. See Topic 5-0600.
- 952 **Reserved.**

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
953	Fund Balance - Reserve for Encumbrances. A reserve which segregates a portion of a fund balance for commitments related to purchases of personal property or construction in progress. See Topic 5-0400.
954	Fund Balance - Reserve for Endowments. A reserve representing the amount of endowment principal that is legally restricted for endowment purposes. Use only in Endowment Fund (81).
960	Fund Balance - Reserve for Non-Current Assets. A reserve which segregates a portion of a fund balance to indicate that non-current assets are not available for appropriation. The balance in this account must be equal to the balances in the related non-current asset accounts.
961	Fund Balance - Reserve for Operations. A reserve established by the Board of Trustees which segregates a portion of a fund balance to provide operating reserves in accordance with Section 20-9-104, 20-10-144, 20-9-501(3), and 20-7-713, MCA. See reserve limits specified in those MCA sections.
Excess General Fund Reserves: Section 20-9-104, MCA, provides the following excess reserve accounts 963, 964, and 967 may be used in the General Fund after the district has set aside the maximum operating reserve in 961.	
963	Reserve for Unused Protested/Delinquent Taxes. A reserve established by the Board of Trustees which segregates a portion of a fund balance as provided in Section 20-9-104, MCA, for the unused receipts of taxes protested in a prior fiscal school year, and unused receipts of delinquent taxes. County Equalization receipts for years prior to FY 1991 (Revenue Source 2111) may also be included in this reserve. Penalties and interest on all delinquent and protested taxes may be included in the reserve. Retain documentation to verify this reserve.
964	Reserve for Unused Tax Audit Receipts. A reserve established by the Board of Trustees which segregates a portion of a fund balance as provided in 20-9-104(56), MCA for unused receipts from a Department of Revenue tax audit. Penalties and interest received from the tax audit may also be included. Retain documentation to verify this reserve.
966	Reserved.

CHARTS OF ACCOUNTS

3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
970	Unreserved Fund Balance. The excess of the assets of a fund over its liabilities and reserves. The Unreserved Fund Balance account represents the amount which is available for reappropriation.
971	Reserved. See revenue source code 9710 for recording residual transfers in and expenditure program code 999, function 9999, and object 971 for recording residual equity transfers out.
972	Budgetary Fund Balance. This account is used to record the difference between the 401 Estimated Revenues and Other Financing Sources account and the 801 Appropriations account. This difference should equal the amount of fund balance reappropriated or the anticipated increase to operating reserves. The balance in this account must be zero after the 401 and 801 accounts are closed to this account at fiscal year end.

(PAGE LEFT INTENTIONALLY BLANK)